



General Assembly

January Session, 2005

**Bill No. 1050**

LCO No. 3395

\*03395\_\_\_\_\_\*

Referred to Committee on Higher Education and Employment  
Advancement

Introduced by:

SEN. DELUCA, 32<sup>nd</sup> Dist.

REP. WARD, 86<sup>th</sup> Dist.

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET  
RECOMMENDATIONS CONCERNING HIGHER EDUCATION.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 10a-26 of the general statutes is amended by  
2 adding subsection (d) as follows (*Effective from passage*):

3 (NEW) (d) For the fiscal year ending June 30, 2006, the boards of  
4 trustees of the constituent units of the state system of higher education  
5 shall maintain the tuition rates established for the fiscal year ending  
6 June 30, 2005, pursuant to sections 10a-77, 10a-99 and 10a-105.

7 Sec. 2. Subdivision (2) of subsection (a) of section 10a-77a of the  
8 general statutes is repealed and the following is substituted in lieu  
9 thereof (*Effective July 1, 2005*):

10 (2) (A) For each of the fiscal years ending June 30, 2000, to June 30,  
11 [2014] 2006, inclusive, as part of the state contract with donors of  
12 endowment fund eligible gifts, the Department of Higher Education, in

13 accordance with section 10a-8b, shall deposit in the Endowment Fund  
14 for the Community-Technical College System a grant in an amount  
15 equal to half of the total amount of endowment fund eligible gifts  
16 received by or for the benefit of the community-technical college  
17 system as a whole and each regional community-technical college for  
18 the calendar year ending the December thirty-first preceding the  
19 commencement of such fiscal year, as certified by the chairperson of  
20 the board of trustees by February fifteenth to [(A)] (i) the Secretary of  
21 the Office of Policy and Management, [(B)] (ii) the joint standing  
22 committee of the General Assembly having cognizance of matters  
23 relating to appropriations and the budgets of state agencies, and [(C)]  
24 (iii) the Commissioner of Higher Education, provided such sums do  
25 not exceed the endowment fund state grant maximum commitment for  
26 the fiscal year in which the grant is made.

27 (B) For each of the fiscal years ending June 30, 2007, to June 30, 2014,  
28 inclusive, as part of the state contract with donors of endowment fund  
29 eligible gifts, the Department of Higher Education, in accordance with  
30 section 10a-8b, shall deposit in the Endowment Fund for the  
31 Community-Technical College System a grant in an amount equal to  
32 one-quarter of the total amount of endowment fund eligible gifts  
33 received by or for the benefit of the community-technical college  
34 system as a whole and each regional community-technical college for  
35 the calendar year ending the December thirty-first preceding the  
36 commencement of such fiscal year, as certified by the chairperson of  
37 the board of trustees by February fifteenth to (i) the Secretary of the  
38 Office of Policy and Management, (ii) the joint standing committee of  
39 the General Assembly having cognizance of matters relating to  
40 appropriations and the budgets of state agencies, and (iii) the  
41 Commissioner of Higher Education, provided such sums do not  
42 exceed the endowment fund state grant maximum commitment for the  
43 fiscal year in which the grant is made. Commitments by donors to  
44 make endowment fund eligible gifts for two or more years that meet  
45 the criteria set forth in this subdivision and that are made for the  
46 period prior to December 31, 2006, but ending before December 31,

47 2012, shall continue to be matched by the Department of Higher  
 48 Education in an amount equal to one-half of the total amount of  
 49 endowment fund eligible gifts received through the commitment.

50 (C) In any such fiscal year in which the total of the eligible gifts  
 51 received by the community-technical colleges exceeds the endowment  
 52 fund state grant maximum commitment for such fiscal year the  
 53 amount in excess of such endowment fund state grant maximum  
 54 commitment shall be carried forward and be eligible for a matching  
 55 state grant in any succeeding fiscal year from the fiscal year ending  
 56 June 30, 2000, to the fiscal year ending June 30, 2014, inclusive, subject  
 57 to the endowment fund state grant maximum commitment. Any  
 58 endowment fund eligible gifts that are not included in the total  
 59 amount of endowment fund eligible gifts certified by the chairperson  
 60 of the board of trustees pursuant to this subdivision may be carried  
 61 forward and be eligible for a matching state grant in any succeeding  
 62 fiscal year from the fiscal year ending June 30, 2000, to the fiscal year  
 63 ending June 30, 2014, inclusive, subject to the endowment fund state  
 64 matching grant commitment for such fiscal year.

65 Sec. 3. Subdivision (2) of subsection (b) of section 10a-109i of the  
 66 general statutes is repealed and the following is substituted in lieu  
 67 thereof (*Effective July 1, 2005*):

68 (2) (A) For each of the fiscal years ending June 30, 1999, to June 30,  
 69 [2014] 2006, inclusive, as part of the state contract with donors of  
 70 endowment fund eligible gifts, the Department of Higher Education, in  
 71 accordance with section 10a-8b shall deposit in the endowment fund  
 72 for the university a grant in an amount equal to half of the total  
 73 amount of endowment fund eligible gifts, except as provided in this  
 74 subparagraph, received by the university or for the benefit of the  
 75 university for the calendar year ending the December thirty-first  
 76 preceding the commencement of such fiscal year, as certified by the  
 77 chairperson of the board of trustees by February fifteenth to (i) the  
 78 Secretary of the Office of Policy and Management, (ii) the joint

79 standing committee of the General Assembly having cognizance of  
80 matters relating to appropriations and the budgets of state agencies,  
81 and (iii) the Commissioner of Higher Education, provided such sums  
82 do not exceed the endowment fund state grant maximum commitment  
83 for the fiscal year in which the grant is made. For the fiscal years  
84 ending June 30, 1999, and June 30, 2000, the Department of Higher  
85 Education shall deposit in the endowment fund for the university  
86 grants in total amounts which shall not exceed the endowment fund  
87 state grant, as defined in subdivision (7) of section 10a-109c of the  
88 general statutes, revision of 1958, revised to January 1, 1997, and which  
89 shall be equal to the amounts certified by the chairperson of the board  
90 of trustees for each such fiscal year of endowment fund eligible gifts  
91 received by the university or for the benefit of the university and for  
92 which written commitments were made prior to July 1, 1997. For the  
93 fiscal year ending June 30, 1999, the funds required to be deposited in  
94 the endowment fund pursuant to this subparagraph shall be  
95 appropriated to the university for such purpose and not appropriated  
96 to the fund established pursuant to section 10a-8b.

97 (B) For each of the fiscal years ending June 30, 2007, to June 30, 2014,  
98 inclusive, as part of the state contract with donors of endowment fund  
99 eligible gifts, the Department of Higher Education, in accordance with  
100 section 10a-8b shall deposit in the endowment fund for the university a  
101 grant in an amount equal to one-quarter of the total amount of  
102 endowment fund eligible gifts, except as provided in this subdivision,  
103 received by the university or for the benefit of the university for the  
104 calendar year ending the December thirty-first preceding the  
105 commencement of such fiscal year, as certified by the chairperson of  
106 the board of trustees by February fifteenth to (i) the Secretary of the  
107 Office of Policy and Management, (ii) the joint standing committee of  
108 the General Assembly having cognizance of matters relating to  
109 appropriations and the budgets of state agencies, and (iii) the  
110 Commissioner of Higher Education, provided such sums do not  
111 exceed the endowment fund state grant maximum commitment for the  
112 fiscal year in which the grant is made. Commitments by donors to

113 make endowment fund eligible gifts for two or more years that meet  
 114 the criteria set forth in this subdivision and that are made for the  
 115 period prior to December 31, 2006, but ending before December 31,  
 116 2012, shall continue to be matched by the Department of Higher  
 117 Education in an amount equal to one-half of the total amount of  
 118 endowment fund eligible gifts received through the commitment.

119 (C) In any such fiscal year in which the eligible gifts received by the  
 120 university exceed the endowment fund state grant maximum  
 121 commitment for such fiscal year the amount in excess of such  
 122 endowment fund state grant maximum commitment for such fiscal  
 123 year, shall be carried forward and be eligible for a matching state grant  
 124 in any succeeding fiscal year from the fiscal year ending June 30, 1999,  
 125 to the fiscal year ending June 30, 2014, inclusive, subject to the  
 126 endowment fund state grant maximum commitment for such fiscal  
 127 year. Any endowment fund eligible gifts that are not included in the  
 128 total amount of endowment fund eligible gifts certified by the  
 129 chairperson of the board of trustees pursuant to this subparagraph  
 130 may be carried forward and be eligible for a matching state grant in  
 131 any succeeding fiscal year from the fiscal year ending June 30, 2000, to  
 132 the fiscal year ending June 30, 2014, inclusive, subject to the  
 133 endowment fund state matching grant maximum commitment for  
 134 such fiscal year.

135 Sec. 4. Subdivision (2) of subsection (a) of section 10a-143a of the  
 136 general statutes is repealed and the following is substituted in lieu  
 137 thereof (*Effective July 1, 2005*):

138 (2) (A) For each of the fiscal years ending June 30, 2000, to June 30,  
 139 [2014] 2006, inclusive, as part of the state contract with donors of  
 140 endowment fund eligible gifts, the Department of Higher Education, in  
 141 accordance with section 10a-8b, shall deposit in the Endowment Fund  
 142 for Charter Oak State College a grant in an amount equal to half of the  
 143 total amount of endowment fund eligible gifts received by or for the  
 144 benefit of Charter Oak State College for the calendar year ending the

145 December thirty-first preceding the commencement of such fiscal year,  
146 as certified by the chairperson of the Board for State Academic Awards  
147 by February fifteenth to [(A)] (i) the Secretary of the Office of Policy  
148 and Management, [(B)] (ii) the joint standing committee of the General  
149 Assembly having cognizance of matters relating to appropriations and  
150 the budgets of state agencies, and [(C)] (iii) the Commissioner of  
151 Higher Education, provided such sums do not exceed the endowment  
152 fund state grant maximum commitment for the fiscal year in which the  
153 grant is made.

154 (B) For each of the fiscal years ending June 30, 2007, to June 30, 2014,  
155 inclusive, as part of the state contract with donors of endowment fund  
156 eligible gifts, the Department of Higher Education, in accordance with  
157 section 10a-8b, shall deposit in the Endowment Fund for Charter Oak  
158 State College a grant in an amount equal to one-quarter of the total  
159 amount of endowment fund eligible gifts received by or for the benefit  
160 of Charter Oak State College for the calendar year ending the  
161 December thirty-first preceding the commencement of such fiscal year,  
162 as certified by the chairperson of the Board for State Academic Awards  
163 by February fifteenth to (i) the Secretary of the Office of Policy and  
164 Management, (ii) the joint standing committee of the General  
165 Assembly having cognizance of matters relating to appropriations and  
166 the budgets of state agencies, and (iii) the Commissioner of Higher  
167 Education, provided such sums do not exceed the endowment fund  
168 state grant maximum commitment for the fiscal year in which the  
169 grant is made. Commitments by donors to make endowment fund  
170 eligible gifts for two or more years that meet the criteria set forth in  
171 this subdivision and that are made for the period prior to December 31,  
172 2006, but ending before December 31, 2012, shall continue to be  
173 matched by the Department of Higher Education in an amount equal  
174 to one-half of the total amount of endowment fund eligible gifts  
175 received through the commitment.

176 (C) In any such fiscal year in which the total of the eligible gifts  
177 received by Charter Oak State College exceeds the endowment fund

178 state grant maximum commitment for such fiscal year the amount in  
 179 excess of such endowment fund state grant maximum commitment  
 180 shall be carried forward and be eligible for a matching state grant in  
 181 any succeeding fiscal year from the fiscal year ending June 30, 2000, to  
 182 the fiscal year ending June 30, 2014, inclusive, subject to the  
 183 endowment fund state grant maximum commitment. Any endowment  
 184 fund eligible gifts that are not included in the total amount of  
 185 endowment fund eligible gifts certified by the chairperson of the Board  
 186 for State Academic Awards pursuant to this subdivision may be  
 187 carried forward and be eligible for a matching state grant in any  
 188 succeeding fiscal year from the fiscal year ending June 30, 2000, to the  
 189 fiscal year ending June 30, 2014, inclusive, subject to the endowment  
 190 fund state matching grant maximum commitment for such fiscal year.

191 Sec. 5. Subdivision (2) of subsection (a) of section 10a-99a of the  
 192 general statutes is repealed and the following is substituted in lieu  
 193 thereof (*Effective July 1, 2005*):

194 (2) (A) For each of the fiscal years ending June 30, 2000, to June 30,  
 195 ~~[2014]~~ 2006, inclusive, as part of the state contract with donors of  
 196 endowment fund eligible gifts, the Department of Higher Education, in  
 197 accordance with section 10a-8b, shall deposit in the Endowment Fund  
 198 for the Connecticut State University System a grant in an amount equal  
 199 to half of the total amount of endowment fund eligible gifts received  
 200 by or for the benefit of the Connecticut State University system as a  
 201 whole and each state university for the calendar year ending the  
 202 December thirty-first preceding the commencement of such fiscal year,  
 203 as certified by the chairperson of the board of trustees by February  
 204 fifteenth to ~~[(A)]~~ (i) the Secretary of the Office of Policy and  
 205 Management, ~~[(B)]~~ (ii) the joint standing committee of the General  
 206 Assembly having cognizance of matters relating to appropriations and  
 207 the budgets of state agencies, and ~~[(C)]~~ (iii) the Commissioner of  
 208 Higher Education, provided such sums do not exceed the endowment  
 209 fund state grant maximum commitment for the fiscal year in which the  
 210 grant is made.

211 (B) For each of the fiscal years ending June 30, 2007, to June 30, 2014,  
 212 inclusive, as part of the state contract with donors of endowment fund  
 213 eligible gifts, the Department of Higher Education, in accordance with  
 214 section 10a-8b, shall deposit in the Endowment Fund for the  
 215 Connecticut State University System a grant in an amount equal to  
 216 one-quarter of the total amount of endowment fund eligible gifts  
 217 received by or for the benefit of the Connecticut State University  
 218 system as a whole and each state university for the calendar year  
 219 ending the December thirty-first preceding the commencement of such  
 220 fiscal year, as certified by the chairperson of the board of trustees by  
 221 February fifteenth to (i) the Secretary of the Office of Policy and  
 222 Management, (ii) the joint standing committee of the General  
 223 Assembly having cognizance of matters relating to appropriations and  
 224 the budgets of state agencies, and (iii) the Commissioner of Higher  
 225 Education, provided such sums do not exceed the endowment fund  
 226 state grant maximum commitment for the fiscal year in which the  
 227 grant is made. Commitments by donors to make endowment fund  
 228 eligible gifts for two or more years that meet the criteria set forth in  
 229 this subdivision and that are made for the period prior to December 31,  
 230 2006, but ending before December 31, 2012, shall continue to be  
 231 matched by the Department of Higher Education in an amount equal  
 232 to one-half of the total amount of endowment fund eligible gifts  
 233 received through the commitment.

234 (C) In any such fiscal year in which the total of the eligible gifts  
 235 received by the Connecticut State University system as a whole and  
 236 each state university exceed the endowment fund state grant  
 237 maximum commitment for such fiscal year the amount in excess of  
 238 such endowment fund state grant maximum commitment shall be  
 239 carried forward and be eligible for a matching state grant in any  
 240 succeeding fiscal year from the fiscal year ending June 30, 2000, to the  
 241 fiscal year ending June 30, 2014, inclusive, subject to the endowment  
 242 fund state grant maximum commitment. Any endowment fund  
 243 eligible gifts that are not included in the total amount of endowment  
 244 fund eligible gifts certified by the chairperson of the board of trustees



245 pursuant to this subdivision may be carried forward and be eligible for  
246 a matching state grant in any succeeding fiscal year from the fiscal year  
247 ending June 30, 2000, to the fiscal year ending June 30, 2014, inclusive,  
248 subject to the endowment fund state matching grant maximum  
249 commitment for such fiscal year.

250 Sec. 6. (NEW) (*Effective from passage*) Notwithstanding the provisions  
251 of sections 10a-77a, 10a-99a, 10a-109i and 10a-143a of the general  
252 statutes, as amended by this act, the Department of Higher Education  
253 shall not deposit any grants pursuant to subdivision (2) of subsection  
254 (a) of section 10a-77a, subdivision (2) of subsection (a) of section 10a-  
255 99a, subdivision (2) of subsection (b) of section 10a-109i and  
256 subdivision (2) of subsection (a) of section 10a-143a of the general  
257 statutes, as amended by this act, until such time as the amount in the  
258 Budget Reserve Fund, established in section 4-30a of the general  
259 statutes, equals ten per cent of the net General Fund appropriations for  
260 the fiscal year in progress.

261 Sec. 7. Section 10a-103 of the general statutes is repealed and the  
262 following is substituted in lieu thereof (*Effective July 1, 2005*):

263 There shall continue to be a Board of Trustees for The University of  
264 Connecticut to consist of [~~nineteen~~] twenty-one persons, twelve to be  
265 appointed by the Governor, who shall reflect the state's geographic,  
266 racial and ethnic diversity; two to be elected by the university alumni;  
267 two to be elected by the students enrolled at the institutions under the  
268 jurisdiction of said board; and [~~three~~] five members ex officio. On or  
269 before July 1, 1983, the Governor shall appoint members to the board  
270 as follows: Four members for a term of two years from said date; four  
271 members for a term of four years from said date; and four members for  
272 a term of six years from said date. Thereafter the Governor shall  
273 appoint trustees of said university to succeed those appointees whose  
274 terms expire, and each trustee so appointed shall hold office for a  
275 period of six years from the first day of July in the year of his or her  
276 appointment, provided two of the trustees appointed for terms

277 commencing July 1, 1995, and their successors shall be alumni of the  
278 university, one of the trustees appointed for a term commencing July 1,  
279 1997, and his or her successors shall be such alumni and one of the  
280 members appointed for a term commencing July 1, 1999, and his or her  
281 successors shall be such alumni. The Commissioner of Agriculture,  
282 [and] the Commissioner of Education, the Commissioner of Economic  
283 and Community Development and the chairperson of The University  
284 of Connecticut Health Center Board of Directors shall be, ex officio,  
285 members of the board of trustees. The Governor shall be, ex officio,  
286 president of said board. The graduates of all of the schools and  
287 colleges of said university shall, prior to September first in the odd-  
288 numbered years, elect one trustee, who shall be a graduate of the  
289 institution and who shall hold office for four years from the first day of  
290 September succeeding his or her election. Not less than two nor more  
291 than four nominations for each such election shall be made by the  
292 alumni association of said university, provided no person who has  
293 served as an alumni trustee for the two full consecutive terms  
294 immediately prior to the term for which such election is to be held  
295 shall be nominated for any such election. Such election shall be  
296 conducted by mail prior to September first under the supervision of a  
297 canvassing board consisting of three members, one appointed by the  
298 board of trustees, one by the board of directors of the alumni  
299 association of the university and one by the president of the university.  
300 No ballot in such election shall be opened until the date by which  
301 ballots must be returned to the canvassing board. In such election all  
302 graduates shall be entitled to vote by signed ballots which have been  
303 circulated to them by mail and which shall be returned by mail.  
304 Vacancies occurring by death or resignation of either of such alumni  
305 trustees shall be filled for the unexpired portion of the term by special  
306 election, if such unexpired term is for more than eighteen months.  
307 When the unexpired term is eighteen months or less, such vacancy  
308 shall be filled by appointment by the board of directors of said alumni  
309 association. On or before November 1, 1975, the students of The  
310 University of Connecticut shall, in such manner as the board of

311 trustees of said university shall determine, elect two trustees, each of  
312 whom shall be enrolled as a full-time student of said university at the  
313 time of his or her election. One such member shall be elected for a term  
314 of one year from November 1, 1975, and one for a term of two years  
315 from said date. Prior to July first, annually, such students shall, in  
316 accordance with this section and in such manner as the board shall  
317 determine, elect one member of said board, who shall be so enrolled at  
318 said university at the time of his or her election and who shall serve for  
319 a term of two years from July first in the year of his or her election. The  
320 student member elected to fill the term expiring on June 30, 2003, and  
321 such elected member's successors shall be enrolled as full-time  
322 undergraduate students at a school or college of the university and  
323 shall be elected by the undergraduate students of the schools and  
324 colleges of the university. The student member elected to fill the term  
325 expiring on June 30, 2004, and such elected member's successors shall  
326 be enrolled as a full-time student in the School of Law, the School of  
327 Medicine, the School of Dentistry, the School of Social Work, or as a  
328 graduate student of a school or college of the university, and shall be  
329 elected by the students of the School of Law, the School of Medicine,  
330 the School of Dentistry, the School of Social Work and the graduate  
331 students of the schools and colleges of the university. Any vacancies in  
332 the elected membership of said board shall, except as otherwise  
333 provided in this section, be filled by special election for the balance of  
334 the unexpired term.

335       Sec. 8. (NEW) (*Effective July 1, 2005*) (a) The University of  
336 Connecticut may, when authorized by the board of trustees, borrow  
337 money from the Connecticut Health and Educational Facilities  
338 Authority for any project for The University of Connecticut Health  
339 Center for which the authority would be authorized to make loans to a  
340 participating health care institution pursuant to chapter 187 of the  
341 general statutes and to refinance any such borrowing, and in  
342 connection with such borrowing, The University of Connecticut is  
343 authorized to enter into any loan or other agreement and to make such  
344 covenants, representations and indemnities as the board of trustees

345 deems necessary or desirable to obtain such loans from the authority  
346 or to facilitate the issue of bonds by the authority to finance such loans,  
347 including agreements with providers of letters of credit, insurance or  
348 other credit facilities for such financings. Any such agreement,  
349 covenant, representation and indemnification shall be a full faith and  
350 credit obligation of The University of Connecticut. The University of  
351 Connecticut may secure such obligations by a pledge of the revenues  
352 to be derived from the operation or use of a clinical services project or  
353 projects, from rates, amounts, rents, fees, charges and other income  
354 and receipts from clinical services or from other general revenues of  
355 The University of Connecticut Health Center, provided any such  
356 pledge shall not violate any covenant of the state under section 10a-  
357 109u of the general statutes. Bonds of the authority issued pursuant to  
358 this section to finance a clinical services project for The University of  
359 Connecticut Health Center shall be deemed to have been issued to  
360 finance a project at a participating health care institution for purposes  
361 of chapter 187 of the general statutes and shall be eligible for the  
362 benefit of a special capital reserve fund created and established  
363 pursuant to subsection (a) of section 10a-186a of the general statutes.

364 (b) Any pledge made by The University of Connecticut pursuant to  
365 this section is and shall be deemed a statutory lien. The lien of any  
366 such pledge shall be valid and binding as against all parties having  
367 claims of any kind in tort, contract or otherwise against The University  
368 of Connecticut, irrespective of whether the parties have notice of the  
369 claims. Notwithstanding any provision of the Uniform Commercial  
370 Code, no instrument by which such a pledge is created need be  
371 recorded or filed. Any revenues or other receipts, funds, moneys or  
372 income so pledged and thereafter received by The University of  
373 Connecticut Health Center shall be subject immediately to the lien of  
374 the pledge without any physical delivery thereof or further act and  
375 such lien shall have priority over all other liens, including without  
376 limitation the lien of any person who, in the ordinary course of  
377 business, furnishes services or materials to The University of  
378 Connecticut.

379 (c) Notwithstanding the provisions of any general or special act  
380 which may require any revenue from the operation of facilities of The  
381 University of Connecticut Health Center or any other revenue of The  
382 University of Connecticut Health Center be paid to the State Treasurer  
383 for the payment of debt service on any bonds issued by the state for  
384 The University of Connecticut Health Center, any revenues pledged by  
385 the board of trustees pursuant to this section shall be applied first to  
386 the extent necessary to fulfill the obligations for which such revenues  
387 are pledged, and only thereafter to the State Treasurer.

388 (d) The Connecticut Health and Educational Facilities Authority  
389 shall not borrow any money or issue any bonds or notes which are  
390 secured by a pledge of any revenues of The University of Connecticut  
391 Health Center, unless such borrowing or issuance has been approved  
392 by the State Treasurer and the Secretary of the Office of Policy and  
393 Management or their deputies. In granting such approval the State  
394 Treasurer and the secretary shall consider the adequacy of revenues  
395 available to The University of Connecticut Health Center to pay (1)  
396 debt service on all the borrowings, bonds or notes issued by the  
397 Connecticut Health and Educational Facilities Authority for which  
398 revenues of The University of Connecticut Health Center are pledged,  
399 (2) debt service on all the bonds issued by the state for which revenues  
400 of The University of Connecticut Health Center are to be paid to the  
401 State Treasurer, and (3) debt service on any other borrowings for  
402 which the revenues of The University of Connecticut Health Center  
403 have been pledged.

404 (e) The state covenants with the authority and with the purchasers  
405 and all other subsequent owners and transferees of obligations issued  
406 by the authority for the benefit of The University of Connecticut  
407 Health Center pursuant to this section, in consideration of the  
408 financing by the authority and the acceptance of and payment for the  
409 securities of the authority, until all obligations of The University of  
410 Connecticut and all costs and expenses in connection with any action  
411 or proceeding in connection therewith, are fully met and discharged,

412 unless expressly permitted or otherwise authorized by the terms of  
413 each contract and agreement made or entered into by or on behalf of  
414 The University of Connecticut with the authority or for the benefit of  
415 such other parties, that the state will not (1) create or cause to be  
416 created any lien or charge on the assets or revenues pledged to secure  
417 such obligations of The University of Connecticut, prior to or on parity  
418 with a lien or pledge created thereon pursuant to this section; (2) in  
419 any way impair the rights, exemptions or remedies of the authority or  
420 the owners of such bonds of the authority; and (3) limit, modify,  
421 rescind, repeal or otherwise alter the rights or obligations of The  
422 University of Connecticut to take such action as may be necessary to  
423 fulfill the terms of its obligations in connection with its borrowing  
424 from the authority; provided nothing in this section precludes the state  
425 from exercising its power, through a change in law, to limit, modify,  
426 rescind, repeal or otherwise alter this section if and when adequate  
427 provision is made by law for the protection of the authority and the  
428 holders of any outstanding securities of the authority, pursuant to the  
429 agreement of The University of Connecticut with the authority and  
430 pursuant to the indenture or other instrument under which the bonds  
431 of the authority are issued pursuant to this section. The University of  
432 Connecticut is authorized to include this covenant of the state, as a  
433 contract of the state, in any such agreement with the authority and in  
434 any credit facility or reimbursement agreement with respect to the  
435 obligations of The University of Connecticut or the obligations of the  
436 authority issued for the benefit of The University of Connecticut  
437 Health Center.

438 (f) The Superior Court shall have jurisdiction to enter judgment  
439 against The University of Connecticut found upon any express  
440 contract, including any indemnification provisions thereof, between  
441 The University of Connecticut and the authority, any trustee or  
442 underwriter for the authority's bonds issued pursuant to this section,  
443 or any bond insurer or other credit facility provider. Any action  
444 brought under this section shall be brought in the superior court for  
445 the judicial district of Hartford. The jurisdiction conferred upon the

446 Superior Court by this subsection includes any set-off, claim or  
447 demand whatever on the part of The University of Connecticut against  
448 any plaintiff commencing or joining an action under this subsection.  
449 Such action shall be tried to the court without a jury. All legal defenses  
450 except governmental immunity shall be reserved to The University of  
451 Connecticut. Any action brought under this section shall be privileged  
452 in respect to assignment for trial upon motion of either party.

453 (g) For purposes of this section, "clinical services" means clinical and  
454 patient services and programs, both in-patient and ambulatory, and  
455 including, but not limited to, university physicians' clinical operations,  
456 offered by The University of Connecticut Health Center, including, but  
457 not limited to, services at the John Dempsey Hospital, the Faculty  
458 Physician Practice or at clinics or other facilities operated by The  
459 University of Connecticut Health Center elsewhere in the state,  
460 exclusive of educational and research functions; and "clinical services  
461 project" means a project to be used principally to provide or support  
462 clinical services.

463 (h) The powers granted pursuant to this section to The University of  
464 Connecticut shall be in addition to the powers granted by The  
465 University of Connecticut 2000 Act pursuant to sections 10a-109a to  
466 10a-109y, inclusive, of the general statutes.

467 Sec. 9. (NEW) (*Effective July 1, 2005*) (a) There is established a  
468 Connecticut Loan Forgiveness program for employees in information  
469 technology, nursing and teachers in shortage subjects to be  
470 administered by the Department of Higher Education.

471 (b) Within available appropriations, the program shall provide a  
472 student loan reimbursement grant for persons who (1) attended any  
473 institution of higher education, (2) majored in an information  
474 technology related field, and (3) are newly employed on or after  
475 January 1, 2005, but before January 1, 2006, by an electronic commerce  
476 or information technology intensive company, that has registered with  
477 or otherwise been qualified by the Department of Economic and

478 Community Development.

479 (c) Within available appropriations, the program shall provide a  
480 student loan reimbursement grant for persons who (1) attended any  
481 institution of higher education, (2) majored in an information  
482 technology related field, and (3) are newly employed on or after  
483 January 1, 2006, by an electronic commerce or information technology  
484 intensive company, that has registered with or otherwise been  
485 qualified by the Department of Economic and Community  
486 Development.

487 (d) Within available appropriations, the program shall provide a  
488 student loan reimbursement grant for persons who (1) attended any  
489 institution of higher education, (2) majored in nursing, and (3) are  
490 newly employed on or after January 1, 2005, but before January 1, 2006,  
491 as a nurse.

492 (e) Within available appropriations, the program shall provide a  
493 student loan reimbursement grant for persons who (1) attended any  
494 institution of higher education, (2) majored in nursing, and (3) are  
495 newly employed on or after January 1, 2006, as a nurse.

496 (f) Within available appropriations, the program shall provide a  
497 student loan reimbursement grant for persons who (1) attended any  
498 institution of higher education, (2) majored in education or an  
499 education related field, and (3) are newly employed on or after January  
500 1, 2005, but before January 1, 2006, as a teacher in a shortage area  
501 subject, pursuant to section 10-8b of the general statutes.

502 (g) Within available appropriations, the program shall provide a  
503 student loan reimbursement grant for persons who (1) attended any  
504 institution of higher education, (2) majored in education or an  
505 education related field, and (3) are newly employed on or after January  
506 1, 2006, as a teacher in a subject shortage area, pursuant to section 10-  
507 8b of the general statutes.



508 (h) Persons who qualify under subsections (b) to (g), inclusive, of  
509 this section shall be reimbursed on an annual basis for qualifying  
510 student loan payments in an amount equal to ten per cent of approved  
511 reimbursement award in the first year, fifteen per cent the second year,  
512 twenty per cent the third year, twenty-five per cent the fourth year and  
513 thirty per cent the fifth year of employment. In no case shall any  
514 person be reimbursed more than ten thousand dollars. A person  
515 qualifying under subsections (b) to (g), inclusive, of this section shall  
516 only be reimbursed for loan payments made while such person is  
517 employed by a qualifying company or employed as a nurse or as a  
518 teacher in a subject shortage area. The Department of Higher  
519 Education shall develop eligibility requirements for recipients of such  
520 reimbursements. Such requirements may include income guidelines.  
521 Persons may apply for grants to the Department of Higher Education  
522 at such time and in such manner as the Commissioner of Higher  
523 Education prescribes.

524 (i) The recipients of reimbursements pursuant to this section for the  
525 fiscal year ending June 30, 2006, shall constitute a cohort and  
526 reimbursements for succeeding years shall only be available for  
527 members of such cohort. The new recipients of reimbursements  
528 pursuant to this section for the fiscal year ending June 30, 2007, shall  
529 constitute a cohort and reimbursements for succeeding years shall only  
530 be available for members of such cohort.

531 (j) Any unexpended funds appropriated for purposes of this section  
532 shall not lapse at the end of the fiscal year but shall be available for  
533 expenditure during the next fiscal year.

534 (k) For the fiscal years ending June 30, 2006, and June 30, 2007, the  
535 Department of Higher Education may use up to two per cent of the  
536 funds appropriated for purposes of this section for program  
537 administration, promotion and recruitment activities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	10a-26
Sec. 2	<i>July 1, 2005</i>	10a-77a(a)(2)
Sec. 3	<i>July 1, 2005</i>	10a-109i(b)(2)
Sec. 4	<i>July 1, 2005</i>	10a-143a(a)(2)
Sec. 5	<i>July 1, 2005</i>	10a-99a(a)(2)
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>July 1, 2005</i>	10a-103
Sec. 8	<i>July 1, 2005</i>	New section
Sec. 9	<i>July 1, 2005</i>	New section

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*